



**6351-01-P**

## **COMMODITY FUTURES TRADING COMMISSION**

### **Agency Information Collection Activities: Notice Requesting Approval of New Collection, CFTC SmartCheck Annual Campaign Impact Tracking Survey, 3038-NEW**

**AGENCY:** Commodity Futures Trading Commission.

**ACTION:** Notice.

**SUMMARY:** The Commodity Futures Trading Commission (“CFTC” or “Commission”) is announcing an opportunity for public comment on a proposed collection of information by the agency. Under the Paperwork Reduction Act (“PRA”), Federal agencies are required to publish notice in the Federal Register concerning each proposed collection of information and to allow 60 days for public comment. The CFTC’s Office of Customer Education and Outreach (OCEO) develops campaigns to change customer behaviors, so that customers can better avoid fraud as defined under the Commodities Exchange Act. The OCEO intends to survey the public by identifying customers and determining if the CFTC’s SmartCheck<sup>SM</sup> campaign is helping them to identify, avoid, and report financial fraud.

**DATES:** Comments must be submitted on or before **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

**ADDRESSES:** You may submit comments, regarding the burden estimated or any other aspect of the information collection, including suggestions for reducing the burden.

Please refer to this notice in any correspondence. Comments, identified by “CFTC

SmartCheck Annual Campaign Impact Tracking Survey,” and Collection Number 3038-NEW may be submitted by any of the following methods:

- The Agency website, via its Comments Online process:

<http://comments.cftc.gov>. Follow the instructions for submitting comments through the website.

- Mail: Christopher Kirkpatrick, Secretary of the Commission, Commodity Futures Trading Commission, 1155 21st Street, NW., Washington, DC 20581.

- Hand delivery/Courier: Same as Mail above.

- Federal eRulemaking Portal: <http://www.regulations.gov/>. Follow the instructions for submitting comments.

Please submit your comments using only one method, and identify that it is for the “SmartCheck Campaign Annual Tracking Survey.”

All comments must be submitted in English, or if not, accompanied by an English translation. Comments will be posted as received to <http://www.cftc.gov>. You should submit only information that you wish to make available publicly. If you wish the Commission to consider information that you believe is exempt from disclosure under the Freedom of Information Act, a petition for confidential treatment of the exempt information may be submitted according to the procedures established in § 145.9 of the Commission’s regulations.<sup>1</sup>

The Commission reserves the right, but shall have no obligation, to review, pre-screen, filter, redact, refuse or remove any or all of your submission from <http://www.cftc.gov> that it may deem to be inappropriate for publication, such as obscene

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<sup>1</sup> 17 CFR 145.9.

language. All submissions that have been redacted or removed that contain comments on the merits of the rulemaking will be retained in the public comment file and will be considered as required under the Administrative Procedure Act and other applicable laws, and may be accessible under the Freedom of Information Act.

**FOR FURTHER INFORMATION CONTACT:** Nisha Smalls, Lead Customer Outreach Specialist, 202-418-5000, [consumers@cftc.gov](mailto:consumers@cftc.gov), Office of Customer Education and Outreach, Commodity Futures Trading Commission, Three Lafayette Centre, 1151 21st Street, NW., Washington, DC 20581.

**SUPPLEMENTARY INFORMATION:** Under the PRA, federal agencies must obtain approval from the Office of Management and Budget (“OMB”) for each collection of information they collect or sponsor. “Collection of information” is defined in 44 U.S.C. 3502(3) as “the obtaining, causing to be obtained, soliciting ... facts or opinions by or for an agency, regardless of form or format [from] ten or more persons.” An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. 44 U.S.C. 3506(c). The Commission is submitting this collection of information to OMB for approval and assigning of a collection number, pursuant to 5 CFR 1320.10.

Section 3506(c)(2)(A) of the PRA, 44 U.S.C. 3506(c)(2)(A), requires federal agencies to provide a 60-day notice in the Federal Register for each proposed collection of information before submitting the collection to OMB for approval. Under OMB regulations, which implement provisions of the PRA, certain “facts or opinions submitted in response to general solicitations of comments from the public, published in the Federal Register or other publications,” 5 CFR 1320.3(h)(4), or “facts or opinions obtained or

solicited at or in connection with public hearings or meetings,” 5 CFR 1320.3(h)(8), are excluded from the OMB approval process.

**Title:** CFTC SmartCheck Annual Campaign Impact Tracking Survey (OMB Control No. 3038-NEW). This is a request for approval of a new collection.

**Abstract:** In 2010, the Dodd-Frank Act<sup>2</sup> expanded the Commission’s authority to, among other matters related to regulatory oversight, establish funding of consumer education initiatives under its new Whistleblower authority.<sup>3</sup> Under this new authority, the Commission established an Office of Customer Education and Outreach (“OCEO”) to, among other efforts, survey the public regarding consumer education initiatives.<sup>4</sup> This notice announces a public survey. This survey will include screening questions to identify the correct respondents and questions to determine if the CFTC’s SmartCheck<sup>SM</sup> campaign is helping customers identify, avoid, and report financial fraud.

The OCEO will use the information collected in the survey to refine the methods used to inform the public about how to best detect and report financial fraud. This will be done by creating a final summary report that includes key findings from the survey.

Findings from the summary report will be used to directionally inform the outreach efforts that the CFTC undertakes concerning helping customers avoid financial fraud.

The survey will be administered using an online survey tool. The online modality approach will allow presentation of test material to participants in a more convenient and time-efficient manner than other collection methods such as mall intercepts. The online

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<sup>2</sup> See Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. 111-203, 124 Stat. 1376 (2010). The text of the Dodd-Frank Act may be accessed at <http://www.cftc.gov/LawRegulation/DoddFrankAct/index.htm>.

<sup>3</sup> See 7 U.S.C. 26.

<sup>4</sup> See 17 CFR 165.12.

method also allows for a quicker turnaround for data collection. No other collection methods will be used.

With respect to the collection of information, the CFTC invites comments on:

- Whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information will have a practical use;
- The accuracy of the Commission's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;
- Ways to enhance the quality, usefulness, and clarity of the information to be collected; and
- Ways to minimize the burden of collection of information on those who are to respond, including through the use of appropriate automated electronic, mechanical, or other technological collection techniques or other forms of information technology; e.g., permitting electronic submission of responses.

You should submit only information that you wish to make available publicly. If you wish the Commission to consider information that you believe is exempt from disclosure under the Freedom of Information Act, a petition for confidential treatment of the exempt information may be submitted according to the procedures established in § 145.9 of the Commission's regulations.<sup>5</sup>

**Burden Statement:** The screening questions will take about 1 minute to complete. It is anticipated that 4,000 people will be screened. The survey will take about

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<sup>5</sup> 17 CFR 145.9.

15 minutes. The cost of the screener survey will be approximately \$3,125, which equates to \$46.85 per burden hour. 2,000 people will take the 15 minute survey. The cost of the full survey will be approximately \$46,875, which equates to \$93.75 per burden hour.

Based on these assumptions, the total burden hours will be 566.7 hours. The

Commission estimates the average burden of this collection of information as follows:

Estimated Annual Reporting Burden Hours					
17 C.F.R. 165.12	Annual reporting 4,000	Frequency 1 response per respondent	Hours per report 1 minute per response	Total 4,000	66.7 hours total burden
17 C.F.R. 165.12	2,000	1 response per respondent	15 minutes per response	2,000	500 hours burden hour

The proposed survey questions appear below:

**CFTC SmartCheck Annual Campaign Impact Tracking Survey**

**CFTC TARGET = Age 50-65; HH income 60k+; Answers 1 or 2 for question 1;**

**Invests in 2 or more products in question 2**

**Screener**

1. When it comes to family and personal investments like stocks, mutual funds, or other trading products, how likely are you to be involved in making decisions for your household?

1	Very likely
2	Somewhat likely
3	Not too likely
4	Not at all likely

2. Below is a list of financial products. Please select all that you currently are invested in or have invested in.

1	Stocks or shares
2	Precious metals like gold or silver
3	Foreign currency trading (FOREX)
4	Any type of futures or options
5	None of these [ <b>Single Punch (SP)</b> ]
6	Don't know [ <b>SP</b> ]

### **Survey**

**[GRID, SP ACROSS]**

Please answer yes or no to each of the following questions.

Yes	No
1	2

3.	Have you read, seen, or heard anything about the Commodity Futures Trading Commission (CFTC)?
4.	Have you read, seen, or heard anything about CFTC SmartCheck, a campaign that promotes expert tools and resources to check the background of financial professionals, learn how to avoid investment fraud, and report suspicious activity?
5.	Have you read, seen, or heard anything about SmartCheck.gov, a website that links to databases which allow investors to check the background of financial professionals?
6.	Have you read, seen, or heard anything about Investor.gov, a website that allows you to check the background of investment adviser representatives and firms?
7.	Have you read, seen, or heard anything about BrokerCheck.org, a website that allows you to check the background of brokers who sell stocks, bonds, mutual funds and other securities?

**[GRID, SP ACROSS. RANDOMIZE GRID ROWS]**

Below are a number of actions that you may or may not be likely to complete. Please indicate how likely or unlikely you are to complete the actions using the scale below.



If you were considering investing with someone you had not invested with before, how likely are you to:

Very Likely	Somewhat Likely	Not likely or unlikely	Not too likely	Not at all Likely
1	2	3	4	5

8.	Review performance history
9.	Talk to references and/or past clients
10.	Confirm certifications and/or education
11.	Perform a general Internet search
12.	Check disciplinary history with an official financial regulator
13.	Check licensing and/or registration status with an official financial regulator
14.	Personally interview
15.	Check job affiliations with an official financial regulator
16.	None of these/don't know <b>[SP]</b>

**[SP]**

17. Generally speaking, how concerned are you about unknowingly being part of a fraudulent investment?

1	Very concerned
2	Somewhat concerned
3	Not too concerned
4	Not at all concerned

**[SP]**

18. If you suspected an investment you were aware of was fraudulent, how likely would you be to report it to a government financial agency such as the U.S. Commodity Futures Trading Commission (CFTC) or the U.S. Securities and Exchange Commission (SEC)?

1	Very likely
2	Somewhat likely
3	Not too likely
4	Not at all likely

**[SP]**

19. If you became aware that an investment you were already a part of was fraudulent, how likely would you be to report it to a government financial agency such as the U.S. Commodity Futures Trading Commission (CFTC) or the U.S. Securities and Exchange Commission (SEC)?

1	Very likely
2	Somewhat likely
3	Not too likely
4	Not at all likely

**[MP; RANDOMIZE LEAVING LAST 1 AT THE END]**

20. Which, if any, of the following do you think are potential signs of investment fraud? If the person selling the investment...

1	said the investment has a guaranteed rate of return.
2	said s/he has a special credential, so they can be trusted.
3	said that many of your friends have already invested in the opportunity.
4	was willing to charge you half of the regular commission.
5	said the opportunity was closing soon, so it was important to act quickly.
6	None of these <b>[SP]</b>

**[GRID, SP ACROSS. RANDOMIZE GRID ROWS]**

Below are a number of statements with which you may or may not agree. Please indicate how much you agree or disagree with each statement.

Strongly	Somewhat	Neither	Somewhat	Strongly
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disagree	disagree	agree nor disagree	agree	agree
1	2	3	4	5

21.	It is important to know the common signs of fraud when investing.
22.	The government reviews and investigates all alleged reports of investment fraud.
23.	I know where to go to report suspected or known incidents of investment fraud.
24.	I know where to go to check the background of a financial professional.
25.	<u>Before I invest</u> , it is important to check the registration and/or licensing status of a financial professional.
26.	<u>Each year</u> , it is important to check the registration and/or licensing of a financial professional with whom I invest.
27.	<u>Before I invest</u> , it is important to check the disciplinary history of a financial professional.
28.	<u>Each year</u> , it is important to check the disciplinary history of a financial professional.

(Authority: 44 U.S.C. 3501 et seq.)

Dated: June 3, 2016

Robert N. Sidman,

Deputy Secretary of the Commission.

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